

Making the Gift that lasts ...



Grace Episcopal Church Foundation

Goals for Our Presentation

As you are very busy, we want to:

- ***Describe other ways of giving to church***
- ***Describe giving to the Parish and the Grace Episcopal Church Foundation***
- ***Show ways others have done it***
- ***Answer questions on how to do it***



What are Planned Gifts?

Planned gifts are a variety of charitable giving methods that allow you to express your personal faith and values by integrating your charitable, family and financial goals.

Planned gifts can be made with cash, but many planned gifts are made by donating assets such as stocks, real estate, art pieces, or business interests—the possibilities are endless.

Planned gifts can provide valuable tax benefits and/or lifetime income for you and your spouse or other loved one. The most frequently-made planned gifts are bequests to charities, made through your will.

How will your planned or estate giving reflect your faith and what you hold dear?



Planned Giving/Gift Planning

Planned giving is a means of “leaving a legacy”.

- Planned Gifts are frequently assets that are fully realized upon donor’s death**
- A way of leaving a lasting impact by providing resources to advance the Gospel and the Parish**
- Assuring continuation...the future**



Two major ways of giving ...

If you want your gift go towards ...

Current Ministry Needs ...

then give directly to Grace Episcopal Church

Future Ministry Needs ...

*then give directly to the
Grace Episcopal Church Foundation*



Endowment Giving

Grace Episcopal Church Foundation is an endowment:

- funds are held forever
- prudently invested
- interest earnings distributed to the Church for current ministry needs
- separate charity with its own board

Why give to endowments?



- Perpetuity...the “legacy factor”
- Desire for the long-term health of the organization...the “sustainability factor”
- Concern for the use over time...the “confidence factor”
- Encouraging others to give...the “investment factor”

Critical: What is your Intent!!

Questions to consider

- What is God leading you to accomplish in your estate giving?
- What kind of statement of faith do you want to make with your estate giving?
- Are other charities that you have supported part of that plan?
- When is the last time you updated your will and estate plan?
- Have you communicated with your family what you wish to do?
- Have you considered leaving a statement of your faith to your heirs?
- Have you considered your future and special needs in your estate plan?
- Have you communicated how you would like your funeral or memorial service to anyone?



Tools for Giving



Tools for Giving

- *Any planned giving tool must be used to fulfill your need to give and in consideration of any future needs you might have.*
- *Any planned giving tool must be thoroughly understood by you and any of your financial, tax, and legal professionals. Concrete examples and illustrations are necessary before any tool is used.*
- *What is your plan?*
- *Then use the appropriate tool to fulfill your plan.*



Tools for Giving

Concerns & Factors for giving:

- Self and future care/health needs
- Spouse/Partner and future care/health needs
- Special Need Children
- Children & Relatives (sometimes)
- Faith Community (if a believer)
- Charity

Order of this list depends
on your life and family.



Some Benefits beyond Giving

Some of the benefits depending on the tool

- Reduced Estate Tax
- Reduced Income Tax
- Reduce or Eliminate Capital Gain Tax
- Income back from Gift
- Give an asset but keep on enjoying it



Tools for Giving

4 types of tools

- Cash (always works)
- Beneficiary designations
- Stuff
 - Personal property (things to convert to cash)
- Income options
 - To donor
 - To organization



Cash & Securities Gift

Cash is the easiest gift and provides the maximum deductions.

- 50% of AGI with 5 year carry over*
- 30% of AGI with appreciated assets (securities)*



ABC Charity

Donor gives cash. Provides immediate benefit to charity.

Beneficiary Designations

- Bequests in Wills and Living Trusts
 - Life Insurance
 - Retirement Plans Assets (IRA*)
 - Securities & Annuities
 - Savings Accounts & CD's
 - Real Estate & Titled Stuff
 - Watch implications of Fractional Interests.
- *Some IRAs will come to beneficiaries as straight, taxable income.



Fills out form or document to make gift



ABC Charity

Beneficiary Designations

Current Ministry:

- I devise and bequeath to Grace Episcopal Church, Traverse City, Michigan, USA, a State of Michigan charitable institution, Federal ID #38-1854119, or its successor (insert sum or percentage or description of property) which shall be used for advancement of the Gospel.

Future Ministry:

- I devise and bequeath to Grace Episcopal Church Foundation, Traverse City, Michigan, USA, a State of Michigan charitable institution, Federal ID #38-3275843, (insert sum or percentage or description of property) which shall be held for the future ministry of Grace Episcopal Church, Traverse City, Michigan or its successor.

Please always consult with legal counsel or your other financial professionals to make sure any changes in your will or living trust are recorded correctly and have taken into account all aspects of this kind of gift including future needs.

Stuff

conveyed either before or at the time of the estate distribution

- Giving appreciated real estate or vacation property
- Personal property
 - Artwork, precious metals, collectables, equipment, vehicles, boats, timber, farms, livestock, mining rights, oil and gas rights, inventions, mission related gifts that can be used directly by your organization
- Paid up life insurance policies
 - Life insurance arrangement to take ownership now, donor gives gift to pay for premium
- Retained Life Interest
 - Give real estate but reserve the right to use it for life

MAKE SURE THE CHURCH WANTS THE GIFT!



Fills out form or document to make
gift, or gives outright

ABC Charity

Income producing gifts

Provides the donor an income stream for donor

- Charitable Gift Annuities
 - Immediate, deferred, or flexible
- Charitable Remainder Annuity Trusts
- Charitable Remainder Unitrusts
- Pooled income funds

Created in 1969 by the Government and all are legal.

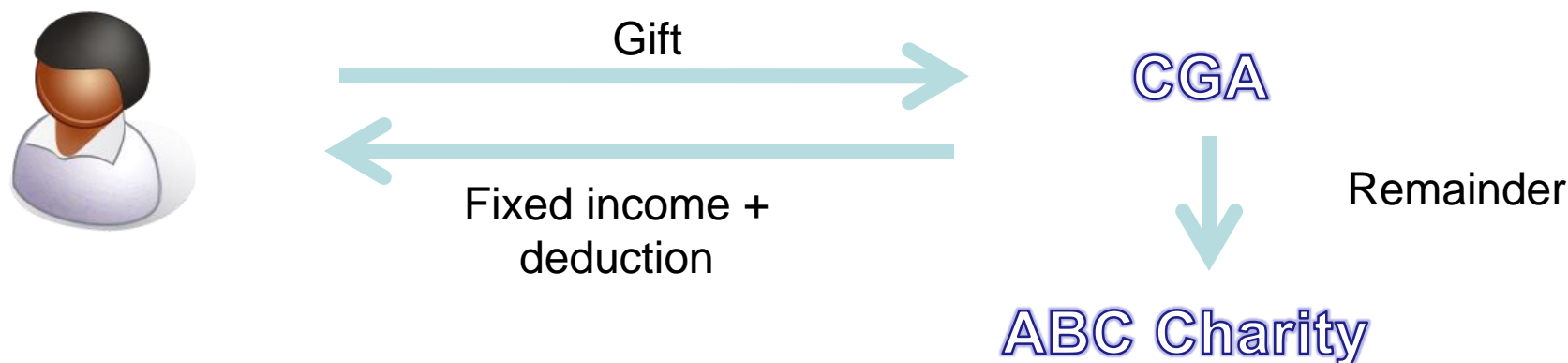


Please always consult with legal counsel or your other financial professionals!

Income producing gifts

An Example -- Charitable Gift Annuities

- Donor gives a gift (\$25,000). Can run 1 or 2 life-times
- Charity guarantees income for life time to donor in an contract
- Donor gets up-front donation receipt, portion of payout is taxed as ordinary income, part comes back as tax free return of donor's principle
- Most charities use American Council on Gift Annuities which assumes 50% will eventually come back to charity.



Other Gift Plans

- Charitable Bargain Sales
 - Donor sells property at reduced FMV, receives deduction for balance and cash for the property
 - Charity can use property or sell for cash.
- Charitable Lead Trust
 - Allows for the passing of a property to relatives at a reduce or avoid gift and estate tax.
 - Donor transfer property to Lead Trust that generates income to a charity for a fixed time
 - After a time period Trust transfers the remainder of the property to donor or family.



Resources:

- Talk with members of the Foundation Board.
- Read materials.
- Talk with the Episcopal Church Foundation
 - <http://www.episcopalfoundation.org/>
- *Please always consult with legal counsel or your other financial professionals!*
- *Review your plan every 3 – 5 years!*



Questions & Answers



Contact the Parish Office or the ECF Foundation for assistance!
episcopalfoundation.org